

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

UNSTARRED QUESTION NO:1647

ANSWERED ON:26.07.2017

Anti-competitive Practices by Telecom Service Providers

Reddy,Kotha Prabhakar;Udhayakumar Shri M.

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Government has taken note of the reported consolidation among the Indian Telecom Service Providers (TSPs) and if so, the details thereof and the reaction of the Government thereto

(b) whether the reported consolidation is likely to yield enough competition without causing fragmentation of spectrum and if so, the details thereof;

(c) whether the Government has taken note of the alleged anti-competitive practices including cartelisation being resorted to by some of the Indian TSPs against new entrants into the telecom market and if so, the details thereof and the reaction of the Government thereto; and

(d) the action taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI MANOJ SINHA)

(a) Yes, Madam. Department has been receiving request for merger and acquisition since opening of the sector in 1999. Further, a phase of consolidation is also going on at present. The various recently received proposals and their status are as follows:

(i) Acquisition of telecom business of M/s Sistema Shyam Tele Services Limited (M/s SSTL) by M/s Reliance Communications Limited (M/s RCOM). Department conveyed to merging entities about the details of required additional Bank Guarantees (BGs) as per direction of Hon'ble TDSAT in its order dated 17.05.17 passed in Telecom Petition 26 of 2017 for taking on record the said merger. But both companies are yet to submit the additional Bank Guarantees.

(ii) Merger of M/s Augere Wireless Broadband Services India Pvt. Ltd. with M/s Bharti Airtel Limited. The Department conveyed to take on record the provisional merger subject to outcome of Telecom petition 6 of 2017.

(iii) Demerger of telecom business by M/s Reliance Telecom Limited (RTL) & merger into M/s Reliance Communication Limited in five License Service Areas. The Department conveyed to take on record the merger subject to the fulfillment of the conditions prescribed in letter dated 17.04.17 but both companies are yet to fulfill the conditions.

(iv) Merger of M/s Telenor (India) Communications Limited with M/s Bharti Airtel Limited. They have intimated in March, 2017 about it. Department conveyed the objection(s)/representation on the proposed scheme on 05.07.17 and same is also brought to the notice of National Company Law Tribunal (NCLT). Approval by NCLT is awaited.

(v) Merger of M/s Vodafone India Limited & its subsidiaries with M/s Idea Cellular Limited. The merger has been announced by press release on 20th March, 2017 and M/s Idea and M/s Vodafone has intimated about it. However, the scheme of merger and approval by NCLT has not been submitted.

(vi) Demerger of Wireless Telecom Business of M/s Reliance Communication Limited & M/s Reliance Telecom Limited (RTL) and its consolidation with M/s Aircel Limited & Dishnet Wireless Limited was intimated to the Department on 27.03.2017. Department conveyed the objection(s)/representation on the proposed scheme on 19.04.17 and same is also brought to the notice of National Company Law Tribunal (NCLT). Approval by NCLT is awaited.

(b) The consolidation among the said Indian Telecom Service Providers (TSPs) does not cause fragmentation of spectrum rather it allows consolidation of spectrum to provide better services by efficient utilization of spectrum. After the reported consolidation among the various Indian TSPs, there will be enough competition in the sector as six players are expected to remain in each service area in access service segment.

(c) & (d) While raising the issue of delay/ denial in provisioning/ augmentation of Point of Interconnections (Pols), allegations have been made by the new entrant (M/s Reliance Jio Infocomm Limited) against the existing incumbent operators (M/s Bharti Airtel Limited, M/s Idea Cellular Limited and M/s Vodafone India Limited) in respect of anti-competitive practices including cartelization.

As per the provisions of section 11 (1) (b) (ii), (iii), (vi) and (vii) of Telecom Regulatory Authority of India (TRAI) Act, 1997, the matter of interconnection between two telecom networks is under the purview of TRAI.

TRAI has examined the issue raised by the new entrant and submitted its recommendation dated 21.10.2016 to the Government. The said recommendations were examined by the Department of Telecommunications (DoT) and referred back to TRAI for reconsideration vide letter dated 05.04.2017. The reconsidered opinion of TRAI has been received. The DoT is seized of the matter.
